

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | PHILIP Y. BROWN, ESQ. | JOHN B. LANGAN | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. MCCARTHY

MEMORANDUM

TO: Fairhaven Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: July 15, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 and January 1 of each fiscal year. The schedule is effective in FY15 (since the amount under the prior schedule was maintained in FY15) and is acceptable under Chapter 32.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



**Fairhaven Retirement System
January 1, 2014 Actuarial Valuation**

Total Increasing 5.0% until FY25

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of 2002 ERI</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Increase In Cost</u>
2015	740,424	40,000	1,768,755	74,249	2,623,429	17,758,187	
2016	773,743	40,000	1,866,607	74,249	2,754,600	17,184,971	5.0%
2017	808,562	40,000	1,969,489	74,249	2,892,300	16,463,826	5.0%
2018	844,947	40,000	2,077,704	74,249	3,036,900	15,577,967	5.0%
2019	882,970	40,000	2,191,481	74,249	3,188,700	14,508,988	5.0%
2020	922,703	40,000	2,385,397		3,348,100	13,236,813	5.0%
2021	964,225	40,000	2,511,275		3,515,500	11,739,464	5.0%
2022	1,007,615	40,000	2,643,685		3,691,300	9,992,920	5.0%
2023	1,052,958	40,000	2,782,942		3,875,900	7,970,960	5.0%
2024	1,100,341	40,000	2,929,359		4,069,700	5,644,996	5.0%
2025	1,149,856	40,000	3,039,551		4,229,407	2,983,895	3.9%
2026	1,201,600	40,000			1,241,600	0	-70.6%

Appropriation payments assumed to be made July 1 and January 1 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$150,000

FY15 appropriation was maintained at the same level as the prior schedule.

Total appropriation increasing 5.0% each year until FY24 with final amortization payment in FY25